

REMARKS/ARGUMENTS

This Amendment is responsive to Office Action dated October 31, 2007.

Prior to this Amendment, claims 1-22 were pending. No claims are canceled or amended, and claims 23-26 are added so claims 1-26 are pending and subject to examination.

A number of rejections are made in the Office Action. Each rejection is addressed in the order presented in the Office Action.

I. Champion et al., Ray et al., and Wallman

Claims 1-8, 10-14 and 16-18 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Champion et al. (U.S. Patent No. 5,126,936) in view of Ray et al. (U.S. Patent No. 6,018,722), and Wallman (U.S. Patent No. 6,601,044).

A. Independent claims 1, 6 and 14

1. *Champion et al. do not teach or suggest a number of limitations in the independent claims*

Independent claim 1, 6, and 14 (and any claims dependent thereon) are patentable, since each and every element of these claims is not taught or suggested by the cited art (i.e., Champion et al., Ray et al., and Wallman). To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, F.2d 981, 180 USPQ 580 (CCPA 1974). MPEP 2143.03. Here, for example, neither Champion et al., Ray et al., nor Wallman teach or suggest, *inter alia*, "identifying an asset in a client's portfolio which is recommended to be sold;" and "generating a list of alternative assets in a client's portfolio to be sold" as recited in independent claim 1. Independent claims 6, and 14 recite similar limitations.

The Office Action relies on column 4, lines 46-51 as teaching or suggesting the limitation "identifying an asset in a client's portfolio which is recommended to be sold." However, column 4, lines 46-51 does not teach or suggest the limitation "identifying an asset in a

client's portfolio which is recommended to be sold." Column 4, lines 42-52 of Champion et al. are reproduced below:

The system automatically reduces the implied leverage in a customer's asset category whenever an adverse price change in the asset's market index has caused the category's "effective" [risk] to reach an unacceptably high level. The system aggregates the total level of risk for all customer accounts in each asset group and establishes a net position in the appropriate futures contracts or hard assets for that asset group, to correspond to the aggregate risk level.

This passage from Champion et al. does not use the word "sell" or "sold," so it is unclear how this passage could teach or suggest "identifying an asset in a client's portfolio which is recommended to be sold."

The Examiner may believe that Champion et al.'s description of "automatically [reducing] the implied leverage in a customer's asset category" is somehow synonymous with "identifying an asset in a client's portfolio which is recommended to be sold." Even assuming, *arguendo*, that this is the case, the cited description from Champion et al. states that the disclosed system "automatically" reduces implied leverage. If Champion et al. describes "automatically" selling assets, then Champion et al.'s system cannot "recommend" selling those assets, since they are automatically sold without recommendation. Thus, Champion et al. teaches away from "identifying an asset in a client's portfolio which is recommended to be sold." Obviousness has not been established for this reason alone.

In addition, none of the cited references teaches or suggests "generating a list of alternative assets in a client's portfolio to be sold." The Examiner alleges that this feature is taught or suggested at column 31, lines 3-14 of Wallman. Contrary to the Examiner's interpretation of Wallman, column 31, lines 3-14 of Wallman does not teach or suggest "generating a list of alternative assets in a client's portfolio to be sold." Column 31, lines 3-14, of Wallman is as follows:

Entire portfolios can be presented. For example, if an investor who enters preferences regarding certain types of stocks then

separately determines to buy another specified stock, then if another investor enters similar preferences as the first investor, that second investor could be notified that an investor with similar preferences also specifically added for purchase this other security and the second investor may wish to consider adding it as well. In this manner, the system of the present invention can be used to facilitate the creation of diversified portfolios created by the equivalent of investment clubs.

This passage does not teach or suggest "generating a list of alternative assets in a client's portfolio to be sold." At best, it describes notifying investors in an investment club that other investors have specified similar preferences. Neither the word "list" nor the word "sold" is remotely suggested in the passage from Wallman cited by the Examiner, so Wallman cannot teach or suggest "generating a list of alternative assets in a client's portfolio to be sold."

Since the Examiner's combination of three references fails to teach or suggest at least two limitations in the present independent claims, obviousness has clearly not been established.

B. Claims 2, 3, 7, 8, 12-13, and 17-18

1. *An allegation that a feature is a "design choice" is a conclusion, and not a reason.*

Claims 2, 3, 7, 8, 12-13, and 17-18 are patentable, since they depend from non-obvious independent claims.

In addition, in rejecting claims 2, 3, 7, 8, 12-13, and 17-18, the Examiner makes the allegation that limitations that are recited in the claims, and that cannot be found in the prior art, are "design choices." For example, the Examiner states the following on page 4 of the Office Action, with respect to the rejection of claim 3:

The limitation of generating a plurality of tables wherein each table corresponds to a reason to identify the basis for recommending that assets contained in the table be sold wherein each table contains one or more rows, and a plurality of columns, and each row

corresponds to a specific asset which is recommended to be sold, and at least one of the columns indicates a rating from the database which corresponds to the asset which corresponds to the row where the rating is provided is not given weight because it constitutes a matter of design choice.

The allegation that a modification of the prior art is a "design choice," without more, is clearly improper and is insufficient to establish obviousness. As stated by the Board of Patent Appeals and Interferences, the allegation that a proposed modification of a primary reference is a "design choice" is not sufficient to establish obviousness. See, *Ex parte William R. Garrett*, 1986 Pat. App. LEXIS 8, (Bd. of Pat. App. and Inter. 1986) ("the examiner has not presented any line of reasoning as to why the artisan would have been motivated to so modify the Bassinger structure, and we know of none. The examiner's assertion at page 4 of the answer that the proposed modification would have been 'an obvious matter of engineering design choice well within the level of skill of one of ordinary skill in the art' is a conclusion rather than a reason"). A copy of this case is attached hereto.

The burden is on the Examiner to establish obviousness. For example, MPEP 2142 states:

The legal concept of *prima facie* obviousness is a procedural tool of examination which applies broadly to all arts. It allocates who has the burden of going forward with production of evidence in each step of the examination process. See *In re Rinehart*, 531 F.2d 1048, 189 USPQ 143 (CCPA 1976); *In re Linter*, 458 F.2d 1013, 173 USPQ 560 (CCPA 1972); *In re Saunders*, 444 F.2d 599, 170 USPQ 213 (CCPA 1971); *In re Tiffin*, 443 F.2d 394, 170 USPQ 88 (CCPA 1971), amended, 448 F.2d 791, 171 USPQ 294 (CCPA 1971); *In re Warner*, 379 F.2d 1011, 154 USPQ 173 (CCPA 1967), cert. denied, 389 U.S. 1057 (1968). The examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness.

As noted above, the Examiner bears the burden of supporting any allegation of obviousness. The Examiner cannot shift the burden of proof to the Examiner by alleging that a feature that cannot be found in the prior art is a "design choice."

Although it is not exactly clear what a "design choice" is, Applicants submit that "generating a plurality of tables wherein each table corresponds to a reason to identify the basis for recommending that assets contained in the table..." provides a number of advantages that are not appreciated by the cited art (see, e.g., page 10, lines 6-17 of the specification). Thus, Applicants submit that claims 2, 3, 7, 8, 12-13, and 17-18 are clearly patentable over the cited art.

II. Champion et al., Ray et al., Wallman, and Official Notice

Claims 19-20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Champion et al., Ray et al., Wallman and Official Notice. At page 9 of the Office Action, the Examiner takes "Official Notice" of features in claims 19 and 20. Pursuant to MPEP 2144.03, Applicants challenge the Examiner's taking of Official Notice in each and every instance that it is taken in the Office Action. If the Examiner is alleging that a feature in the claims is "well known" such that Official Notice can be taken, then it should not be unduly burdensome for the Examiner to find a reference in support of any rejection that relies on Official Notice.

In addition, claims 19 and 20 are patentable, since they depend from non-obvious independent claims.

III. Remaining Rejections

Claims 15 and 21 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Champion et al. in view of Ray et al., Wallman and Sloan et al. (U.S. Patent Application Publication No. 2002/0147671 A1). Claims 9 and 22 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Champion et al. in view of Ray et al., Wallman, Sloan et al. and further in view of Karp et al. (U.S. Patent No. 6,832,209 B1).

Applicants submit that the rejected claims 9, 15, 21, and 22 depend from patentable independent claims are explained above, and the additional citations to not remedy the deficiencies noted above.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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